

The evaluation of global market demand based products concepts for selected berry
powders/extracts

Jalostettujen marjatuotteiden mahdollisuuksia globaaleilla markkinoilla

Lavango Oy, 16.3.2018

Leena Favén, Centria

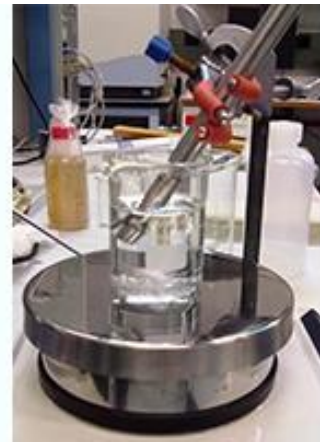


Interreg
Botnia-Atlantica
Euroopan aluekehitysrahasto



Österbottens förbund
Pohjanmaan liitto





Coordinator: **Centria** Dr Leena Favén

Partners: **SLU, Novia, Dorotea, Åsele, Vilhelmina**
5/2015 – 7/2018

Results

- Novel extraction/refining technologies: RBR, cyclone drying (SLU)
- Process optimization with experimental design & modelling (Novia)
- Quality characterization method development (Centria)

Euromonitor International: Megatrend analysis and its impact on innovation

- 20 megatrends identified: premiumisation, healthy living, ethical living, striving for authenticity, middle class retreat, personalisation, connected consumers, experience more
- How can business tap *into Experience More*?
 - Authenticity, technology, customization
 - Companies are expanding their horizons and looking for opportunities in Africa, China's second-tier cities, arctic
- Health is the new wealth
 - Holistic lifestyle, simplicity, transparency, brand identity
- Ethical will become integrated into the mainstream
- Premiumisation
 - Paying more for time, security, health
- Example: Procter&Gamble: *Tide purclean brand*
 - 65% bio-based made with ingredients derived from plants, windmills to provide the electricity for its five plants in NA to make the Tide purclean brand

Berries – how to add value

- Export for profitability
- Product concepts
- Value chain
- Marketing messages



Berry picking

- Nordic berry picking season is short
- Foreign workforce needed
- Yield is not guaranteed every year
- Big retailers need **predictable** supply of products
- **High value products** needed to make process profitable

Highbush blueberry

- 2016 world production 655 million kg
- Global overproduction has dropped prices
- Investments in new innovative blueberry products
- Direct competitor for Nordic wild bilberry
- US Blueberry association well organized



Export for profitability

- Only few companies export from Finland
- More **branded customer products** needed
 - IQF-berry export faces price competition
 - Increasing yearly picking volumes require **higher added value in whole production chain**
- Domestic market is almost saturated



Product concepts

- Food products
 - Berry as main ingredient
 - Berry for flavor or color
- Non-food products
 - Dietary supplements
 - Cosmetics
- Products should differentiate from other berries



Haavojen parantuminen, ikääntyminen & ihoterveys

Esthechoc - Cambridge Beauty Chocolate

by: [Aduvo Group](#)



The world's first **clinically proven anti-ageing chocolate**.
Esthechoc is a result of **10 years of research in Cambridge, UK**.
It's perfect for optimal **regeneration and wound healing in any aesthetic medicine procedure**. It is an award-winning skincare supplement – one small esthechoc a day helps to **regain your skin health and slow down the ageing process**

ReChoc

by: [Aduvo Group](#)



ReChoc is a **Resveratrol Dark Chocolate**, the new chocolate developed by Cambridge Chocolate Technologies Ltd. This is the first chocolate **combining benefits of two superfoods: red wine and dark chocolate**. The innovative, **clinically tested**, functional food product to enrich daily diet with cocoa epicatechins and resveratrol with extremely high, **clinically proven bioavailability**.

Painonhallintaan

ProEarth® Meal Replacement Blend
by: [Cambridge Commodities Ltd](#)



A vegan suitable nutritional drink blend that provides a range of essential nutrients designed to give an added boost at breakfast times. Utilising the ProEarth® protein range combined with coconut and oat flours, CCL's meal replacement has a subtle flavour making it suitable for a variety of sectors including **sports nutrition and health & wellbeing to support weight management**

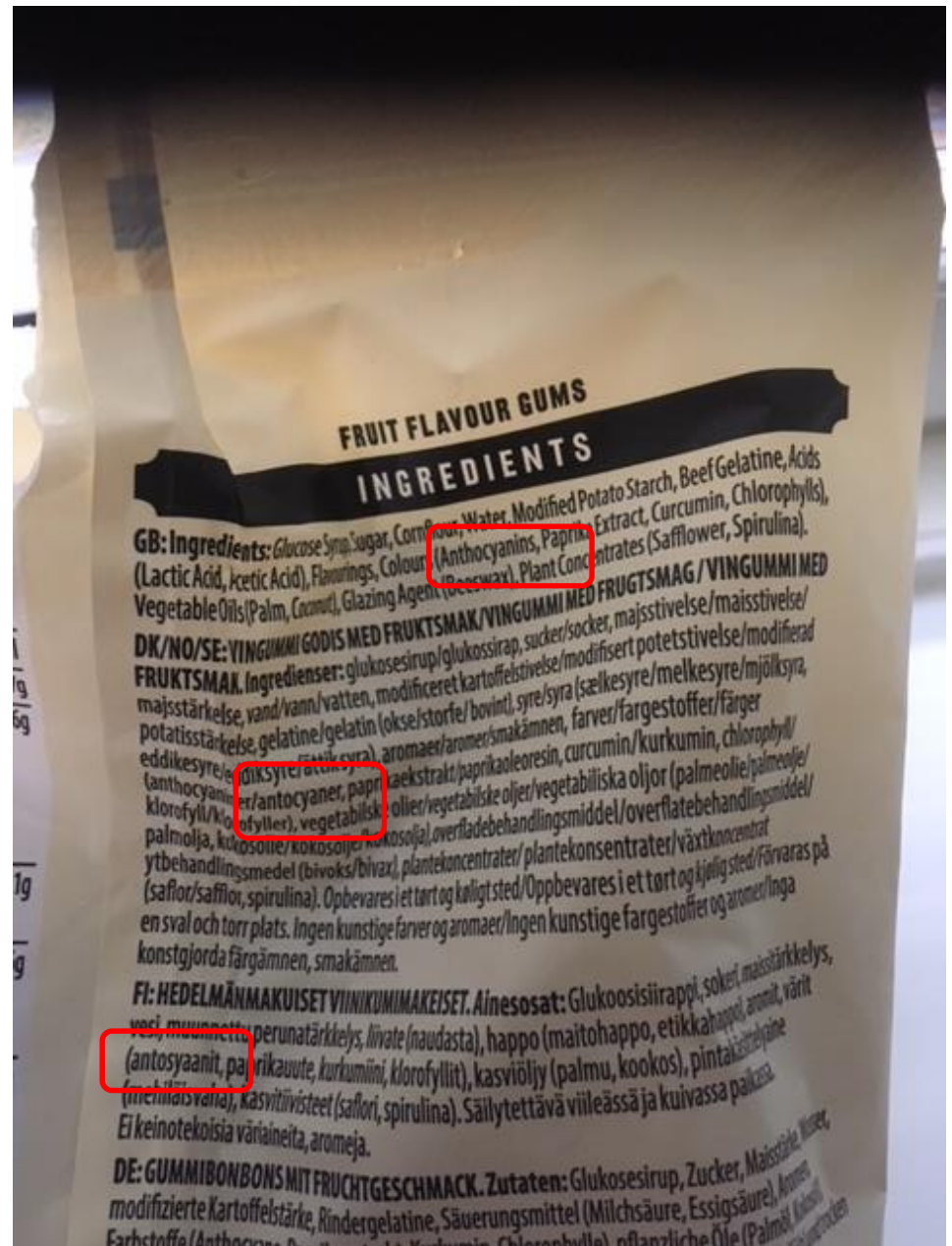
Alentaa kolesterolia

Cardiosmile, ready-to-use plant sterol liquid sachets
by: [Nutrartis](#)



Clinically proven to lower cholesterol AND triglycerides, Cardiosmile is a worldwide innovation that provides an optimum 2 gram daily dose of **plant sterols in a single sachet**. Cardiosmile does not require refrigeration and can be mixed with any food or drink, giving the consumers a convenient and flexible alternative to plant sterol-added products. Distributed by DKSH Europe.

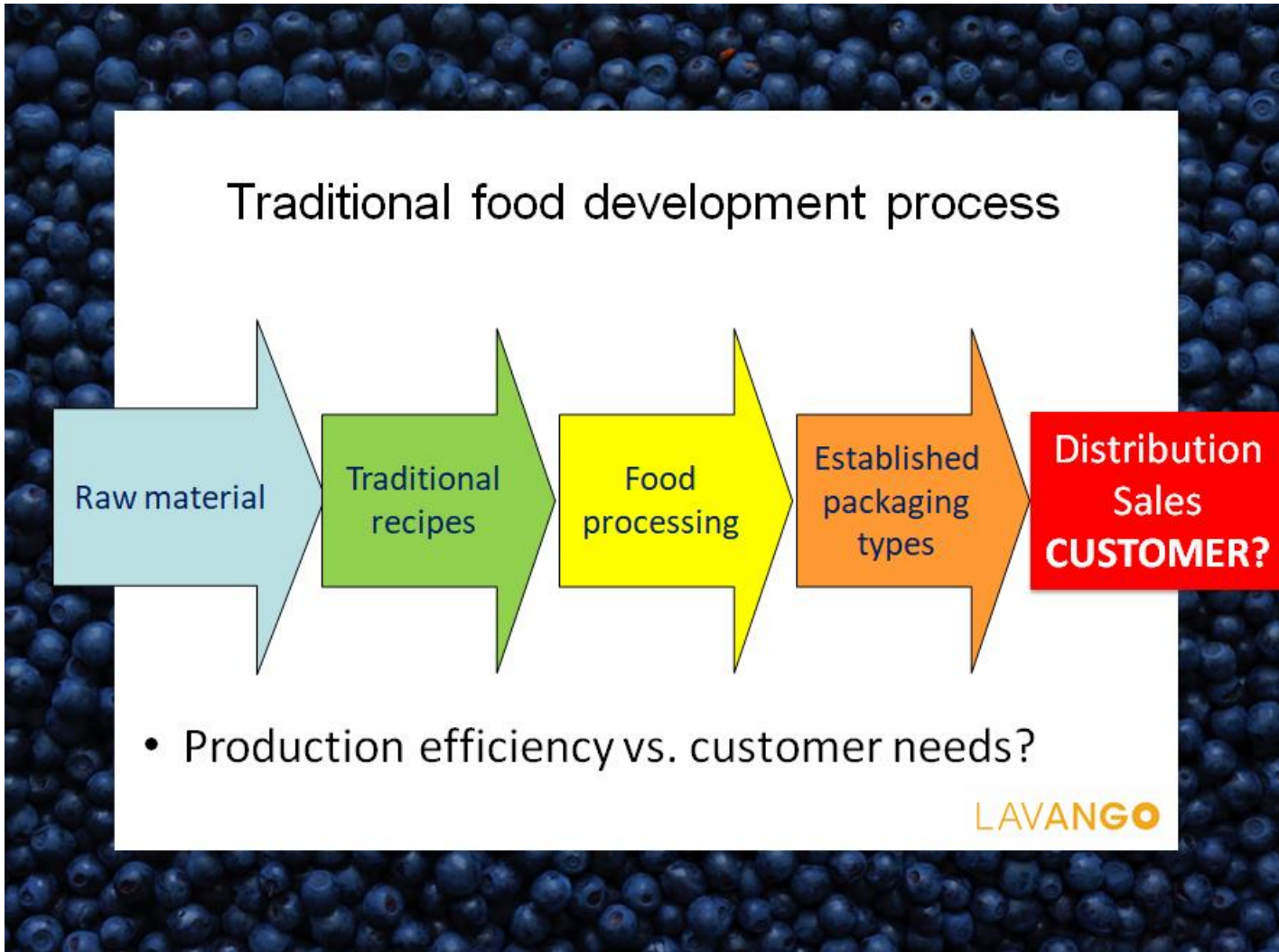
Anthocyanins as coloring and flavoring agents



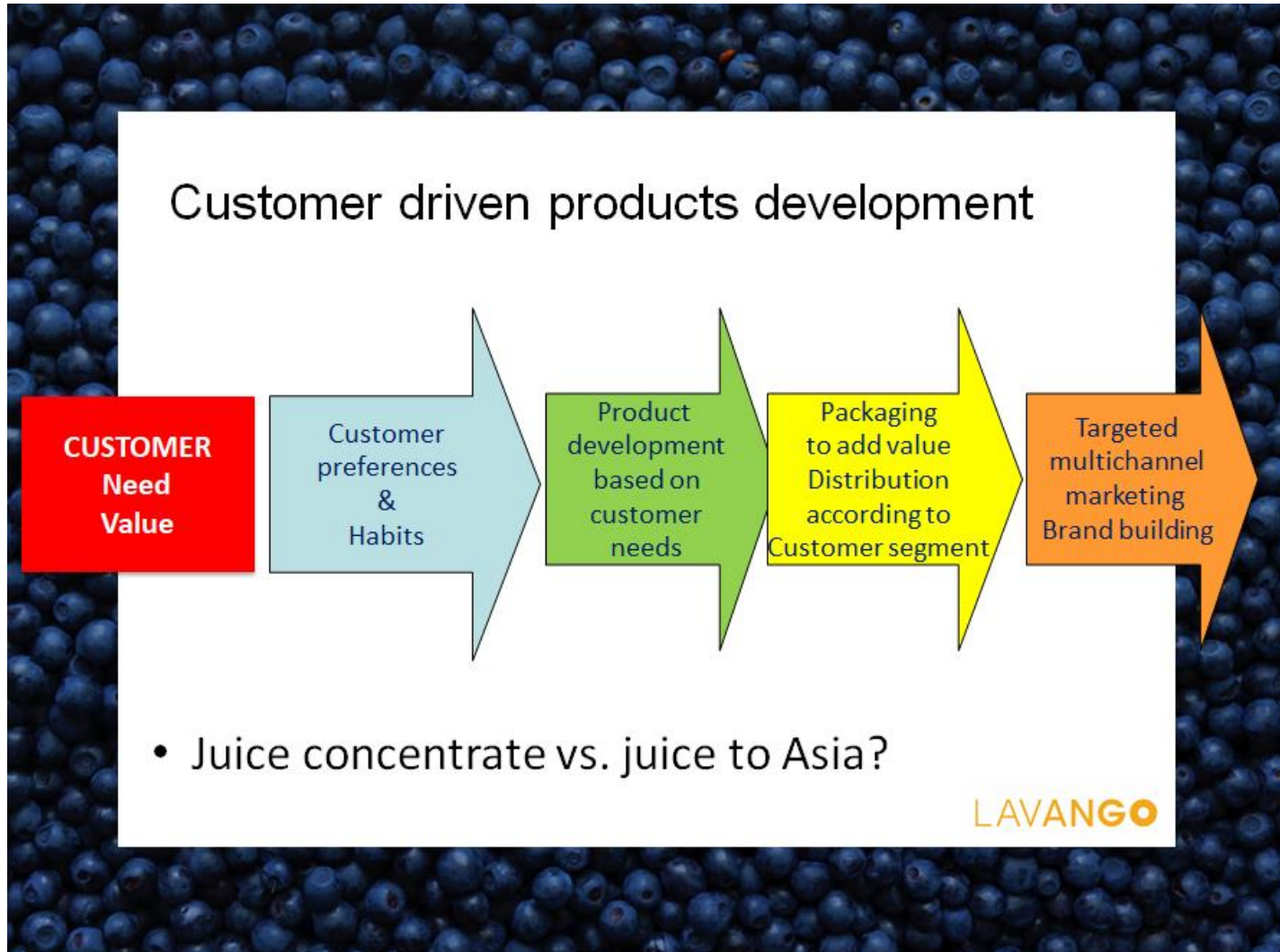
Customer driven product development

- Understand target customer segment
 - Needs and habits
 - No tap water -> ready to drink juice
 - Dried fruits -> **dried** berries
 - Old population -> **aging, health**
 - Food counterfeit -> **organic, other certificates**
- **Branding** is everything in consumer markets
 - Packaging, channel, marketing, price

Products developed according to customer needs



Products developed according to customer needs



Certificates in food industry

- ISO 22000 family - Food safety management
- Hazard Analysis Critical Control Point (HACCP)
- HALAL certificate
- Kosher certificate
- European Union organic certification
- Regional or country specific certificates



Bilberry products

- Innovative blueberry products which benefits from blueberry's health effects **could be even better if made of bilberries**
- Target customer segments:
 - **young adults**
 - **health conscious senior citizens**
 - **mothers with young children**
- Premium products, high value



Marketing messages

- **Organic** is a must
- Background stories
- Health benefits
- Messages according to target customers
- Unique, rare, **pure and healthy**
- **Brand consortium**
 - Blueberry association, Parma ham etc.



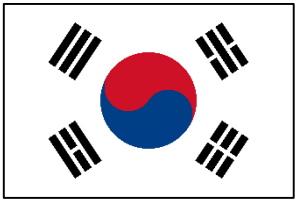
Health food in Germany

- An aging population needs more health food and wellness products.
- Two-thirds of Germans see direct contact nutrition and health
- The popularity of organic food products has stabilized in Germany, organic retail market is 7 billion euros
- The value of natural food products is constantly growing
- Huge potential for high quality Finnish products



Middle East - UAE

- United Arab Emirates have highest rates of obesity, diabetes II and cardio-vascular diseases in the world
- The government increases its efforts to fight common health issues
- Health and wellness food products sales is **USD 1.25 billion**



ASIA – South Korea

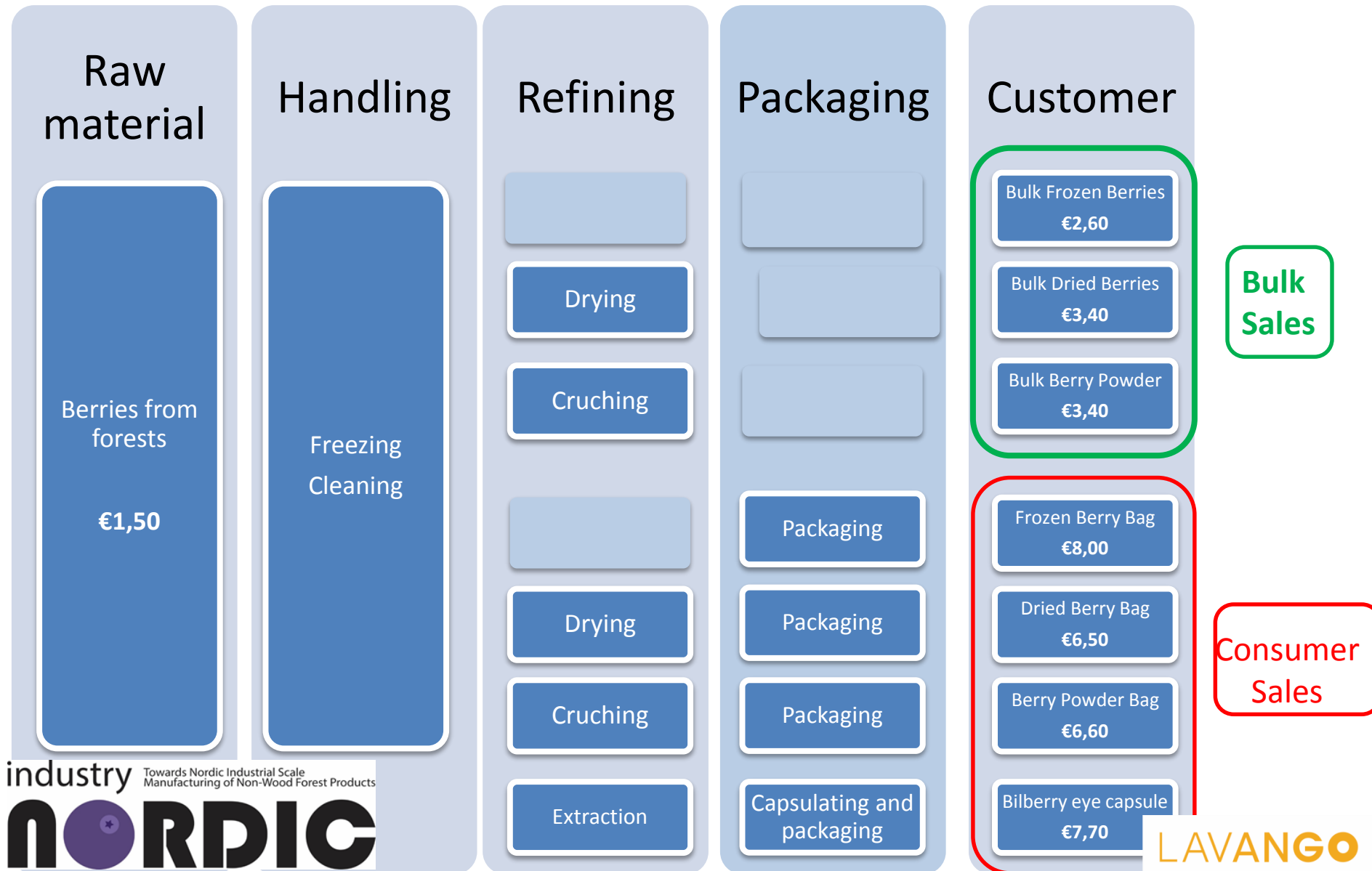
- Growing interest for safe and healthy food
- Popular online grocery shopping
- Willing to spend money on good quality and healthy food
- Becoming **more conscious of the food products' origin and content, Arctic Stories**

Profitable business challenges

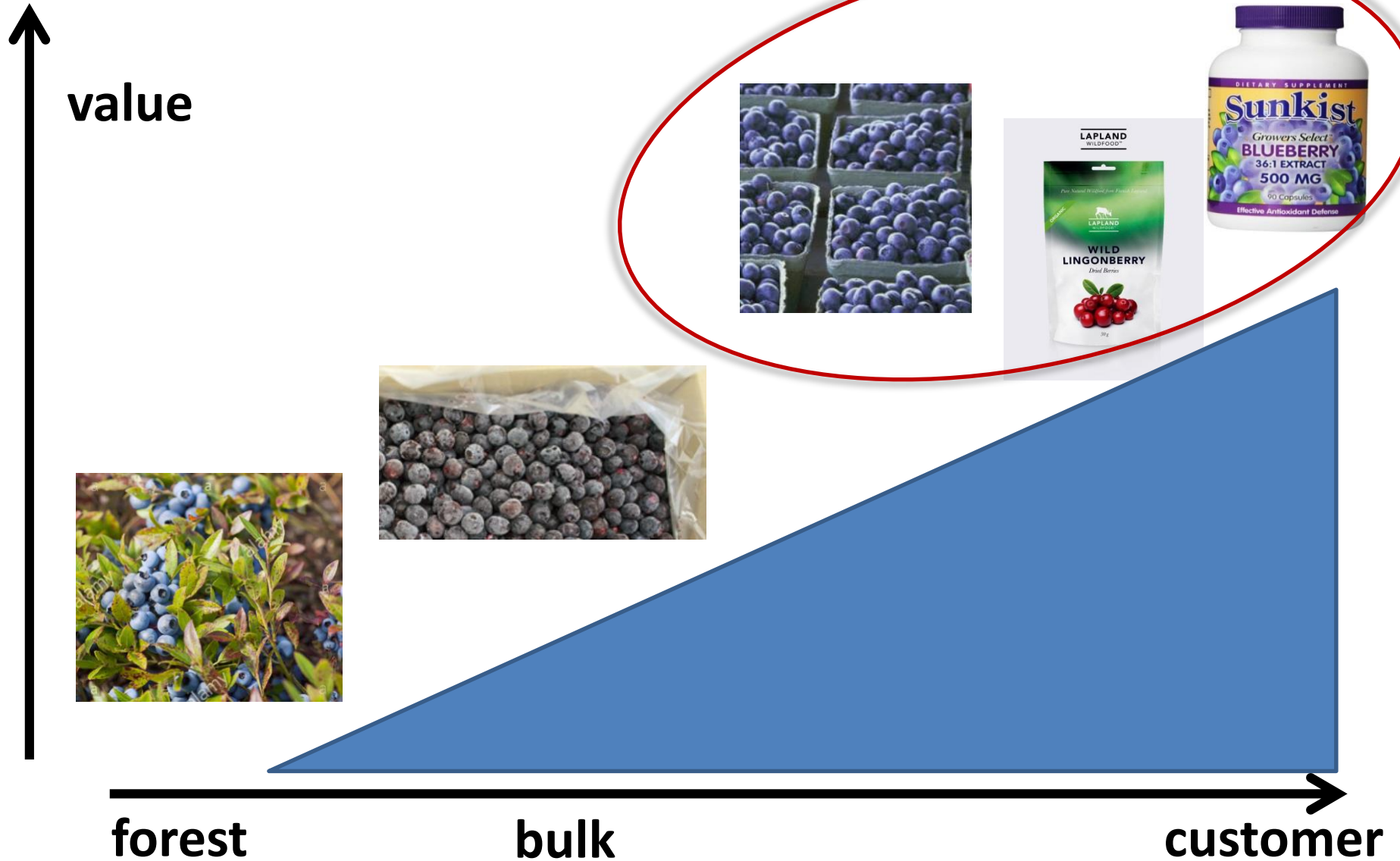
- Export value is limited by yearly yield
- Global price pressure in bulk products
- It is not economically viable to increase picking without exporting high value products
- Value is in **consumer products**
 - **Brand** building
 - Distribution channel
 - **Marketing** efforts

Value chain of bilberries in food industry

Prices in the picture are indicative wholesale prices, €/kg of used fresh berries



Value is close to customer



Nordic berries

How to add volume and value

- Consumer products
 - Innovative and different
- High end segments in selected export markets
- Brand building
 - Arctic, cleanliness and premium content
 - Focus on berries' health benefits and origin
- Marketing co-operation, branding:

*ORGANIC/ARCTIC/BILBERRY/LINGONBERRY
BRAND (vs. American Blueberry Council)*

Thank You!



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Länsstyrelsen
Västerbotten